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**Consumer Price Index  
Detroit-Ann Arbor-Flint, MI CMSA  
August 2002**

The Detroit-Ann Arbor-Flint, MI Consumer Price Index for All Urban Consumers (CPI-U) increased 1.1 percent from June to August, according to a report issued today by the U.S. Department of Labor's Bureau of Labor Statistics. This increase follows declines of 0.5 and 0.4 percent in the two previous June-August periods, respectively. The August 2002 All Items CPI-U for the Detroit area was 180.9 (1982-84=100). Over the past year, Detroit area retail price inflation was 3.3 percent, matching the average annual increase over the past two years.

Large increases in the components for recreation and apparel coupled with a smaller gain in the heavily weighted housing component were responsible for most of the bimonthly increase in the Detroit area CPI-U, according to Regional Commissioner Peter J. Hebein. Moderate increases in the components for education and communication and other goods and services and small advances in the components for transportation and medical care were responsible for the remainder of the gain. A small decline in the food and beverages component only partially offset these increases.

Table A. Percent Changes in the CPI-U, Detroit-Ann Arbor-Flint, MI (not seasonally adjusted)

Expenditure  Category	Changes from 2 months ago							12 mo. ended
	2001			2002				
	Aug.	Oct.	Dec.	Feb.	Apr.	June	Aug.	Aug. '02
All items	-0.4	-0.2	-0.7	1.6	1.6	0.0	1.1	3.3
Food & beverages	-.5	.4	.6	-.1	.1	1.3	-.5	1.8
Housing	.3	-.2	-.1	1.8	.1	.5	.6	2.8
Apparel	-1.3	-1.2	-6.6	8.0	4.7	-6.9	5.6	2.5
Transportation	-2.6	-.3	-2.5	1.3	3.4	-1.3	.2	.7
Medical care	.5	.4	.2	1.7	.3	1.0	.2	3.8
Recreation	.9	-2.0	-2.6	1.0	10.1	1.2	5.8	13.6
Education and communications	.6	.6	3.1	.4	0	.3	1.5	5.9
Other goods & services	1.6	-.2	.2	3.0	-1.2	1.5	1.3	4.6

Transportation costs edged up 0.2 percent from June. Higher costs for motor vehicle insurance helped offset declines in the cost of new cars, gasoline, and public transportation. Gasoline prices were down 0.9 percent from June-August following larger declines of 27.9 and 15.6 percent for the same two-month period in 2000 and 2001, respectively. On an annual basis, transportation costs were 0.7 percent higher. This is down from annual gains that averaged 5.1 percent over the past two years. Gasoline prices declined 4.2 percent over the year following a rise by about the same amount in the previous annual period.

The food and beverages component fell 0.5 percent for the second consecutive June-August period. In the recent period, a 1.4 percent drop in the food at home index (grocery food items) more than offset a 0.3 percent increase in the index for food away from home (restaurant meals and vending machine purchases, for example) and a 1.7 percent hike in the alcoholic beverages index. For the year, food and beverages prices were up 1.8 percent, double the average annual increase over the past two years. The cost for grocery food items rose 0.9 percent over the year following gains that averaged 4.6 percent over the previous two annual periods. A 2.9 percent annual rise in the food away from home index was in-line with increases experienced over the past five August-August periods. Costs for alcoholic beverages rose 1.5 percent over the year following a larger 2.9 percent gain in the previous 12-month period.

The apparel component rose 5.6 percent from June to August. For the year, apparel costs were up 2.5 percent following a 3.7 percent decline in the previous August-August period.

The housing component moved up 0.6 percent over the past two months primarily due to a 0.7 percent increase in the shelter index. The index for household fuels and utilities rose 1.5 percent and was responsible for the remainder of the gain. Within the household fuels and utilities category, the cost of natural gas advanced 1.4 percent and electricity costs were unchanged. The household furnishings and operations index edged down 0.2 percent, only partially offset these gains. For the year, housing costs were up 2.8 percent. This was in-line with August-August increases experienced over the past five years.

The other goods and services component increased 1.3 percent over the past two months and, on an annual basis, advanced 4.6 percent. The bimonthly gain and the annual gain were similar to movements recorded a year ago for the same two periods, respectively.

Higher tuition costs were responsible for most of a 1.5 percent increase in the education and communications component during July and August. For the year, this component was up 5.9 percent, well ahead of the 0.4 percent and 1.1 percent increases recorded in the two previous annual periods ended in August 2000 and 2001, respectively.

Recreation costs rose 5.8 percent from June-August, leaving the index 13.6 percent above its year ago level.

The medical care component edged up 0.2 percent during the June-August period; in-line with the average gain for this period over the past five years. On an annual basis, medical care costs rose 3.8 percent, not as much as the 5.1 percent hike in the previous annual period ended in August 2001.

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Scheduled release date for the September 2002 CPI:  
Friday, October 18, 2002

### CPI HOTLINE SERVICE PROVIDES LATEST INDEXES 24 HOURS A DAY

The all items CPI-U and CPI-W for the U.S. City Average and for the Detroit area are available to the public 24 hours a day, 7 days a week through the Bureau's CPI Hotline service. This recorded message also provides percent changes from the prior period and from a year earlier as well as the scheduled release date for the next CPI issuance. The Hotline number in Detroit is (313) 226-7558.

### BLS FAX-ON-DEMAND SERVICE OFFERS CPI DATA 24 HOURS A DAY

If you have a fax machine and a touch-tone telephone, you can order current and historical CPI data and receive it within minutes by fax. The BLS Fax-on-Demand service offers over 280 documents containing the most popular BLS data including more than 65 documents containing CPI data for the nation, four regions, and 30 metropolitan areas. To receive by fax a catalog of documents available on the service, call 312 353-1880, select menu option 1, and when prompted, order document 1000.

### BRIEF EXPLANATION OF THE CPI

The Consumer Price Index (CPI) is a measure of the average change in prices over time in a fixed market basket of goods and services. The Bureau of Labor Statistics publishes CPI's for two population groups: (1) a CPI for All Urban Consumers (CPI-U) which covers approximately 87 percent of the total population and (2) a CPI for Urban Wage Earners and Clerical Workers (CPI-W) which covers 32 percent of the total population. The CPI-U includes, in addition to wage earners and clerical workers, groups such as professional, managerial, and technical workers, the self-employed, short-term workers, the unemployed, and retirees and others not in the labor force.

The CPI is based on prices of food, clothing, shelter, and fuels, transportation fares, charges for doctors' and dentists' services, drugs, and the other goods and services that people buy for day-to-day living. Prices are collected in 87 urban areas across the country from about 50,000 housing units and approximately 23,000 retail establishments--department stores, supermarkets, hospitals, filling stations, and other types of stores and service establishments. All taxes directly associated with the purchase and use of items are included in the index. Prices of food, fuels and a few other items are obtained every month in all 87 location. Prices of most other commodities and services are collected every month in the three largest geographic areas and every other month in other areas. Prices of most goods and services are obtained by personal visits of the Bureau's trained representatives.

In calculating the index, price changes for the various items in each location are averaged together with weights that represent their importance in the spending of the appropriate population group. Local data are then combined to obtain a U.S. City average. Separate indexes are also published by size of city, by region of the country, for cross-classifications of regions and population-size classes, and for 26 local area. Area indexes do not measure differences in the level of prices among cities, they only measure the average change in prices for each base period.

The index measure prices changes from a designated reference data - 1982-84 that equals 100.0. An increase of 16.5 percent, for example, is shown as 116.5. This change can also be expressed in dollars as follows: the price of a base period "market basket" of goods and services in the CPI has risen from \$10 in 1982-84 to \$11.65.

For further details see the BLS Handbook of Methods, Bulletin 2490, April 1997, Chapter 17, The Consumer Price Index.

**Consumer Price Index for All Urban Consumers (CPI-U): Indexes and percent changes for selected periods**

**Detroit-Ann Arbor-Flint, MI** (1982-84=100 unless otherwise noted)

Item and Group	Indexes			Percent change from—		
	June 2002	July 2002	Aug. 2002	Aug. 2001	June 2002	July 2002
<b>Expenditure category</b>						
All items .....	179.0	-	180.9	3.3	1.1	-
All items (1967=100) .....	532.0	-	537.6	-	-	-
Food and beverages .....	172.8	-	172.0	1.8	-5	-
Food .....	172.5	-	171.4	1.8	-6	-
Food at home .....	173.3	173.8	170.8	.9	-1.4	-1.7
Food away from home .....	172.3	-	172.9	2.9	.3	-
Alcoholic beverages .....	171.1	-	174.0	1.5	1.7	-
Housing .....	171.0	-	172.1	2.8	.6	-
Shelter .....	197.5	199.0	198.9	3.1	.7	-1
Rent of primary residence <sup>1</sup> .....	181.8	182.1	182.8	3.2	.6	.4
Owners' equivalent rent of primary residence <sup>1 2</sup> .....	202.9	203.4	204.4	3.4	.7	.5
Fuels and utilities .....	144.5	-	146.7	6.5	1.5	-
Fuels .....	118.7	119.1	119.5	6.3	.7	.3
Gas (piped) and electricity <sup>1</sup> .....	121.4	121.8	122.2	6.3	.7	.3
Electricity <sup>1</sup> .....	131.4	131.4	131.4	.0	.0	.0
Utility natural gas service <sup>1</sup> .....	115.9	116.8	117.5	13.3	1.4	.6
Household furnishings and operations .....	123.1	-	122.8	-.4	-.2	-
Apparel .....	121.3	-	128.1	2.5	5.6	-
Transportation .....	168.8	-	169.1	.7	.2	-
Private transportation .....	166.7	-	167.2	.7	.3	-
Motor fuel .....	124.5	128.2	123.4	-4.2	-9	-3.7
Gasoline (all types) .....	124.0	127.7	122.9	-4.2	-9	-3.8
Gasoline, unleaded regular <sup>3</sup> .....	126.2	130.5	125.1	-2.6	-9	-4.1
Gasoline, unleaded midgrade <sup>3 4</sup> .....	138.1	142.1	136.8	-5.8	-9	-3.7
Gasoline, unleaded premium <sup>3</sup> .....	125.1	128.5	124.3	-5.3	-6	-3.3
Medical care .....	284.6	-	285.2	3.8	.2	-
Recreation <sup>5</sup> .....	116.9	-	123.7	13.6	5.8	-
Education and communication <sup>5</sup> .....	113.6	-	115.3	5.9	1.5	-
Other goods and services .....	299.4	-	303.2	4.6	1.3	-
<b>Commodity and service group</b>						
All items .....	179.0	-	180.9	3.3	1.1	-
Commodities .....	148.6	-	149.4	.6	.5	-
Commodities less food and beverages .....	135.6	-	137.2	.0	1.2	-
Nondurables less food and beverages .....	146.4	-	150.0	.9	2.5	-
Durables .....	119.7	-	119.1	-1.3	-.5	-
Services .....	210.7	-	213.8	5.3	1.5	-
<b>Special aggregate indexes</b>						
All items less medical care .....	174.5	-	176.4	3.3	1.1	-
All items less shelter .....	174.0	-	176.1	3.3	1.2	-
Commodities less food .....	137.1	-	138.7	.0	1.2	-
Nondurables .....	159.4	-	160.8	1.2	.9	-
Nondurables less food .....	147.9	-	151.5	.9	2.4	-
Services less rent of shelter <sup>2</sup> .....	230.9	-	236.3	7.8	2.3	-
Services less medical care services .....	204.3	-	207.5	5.5	1.6	-
Energy .....	122.5	124.4	122.4	1.2	-.1	-1.6
All items less energy .....	187.1	-	189.2	3.6	1.1	-
All items less food and energy .....	190.7	-	193.6	4.0	1.5	-

<sup>1</sup> This index series was calculated using a Laspeyres estimator. All other item stratum index series converted to a geometric means estimator in January, 1999.

<sup>2</sup> Index is on a December 1982=100 base.

<sup>3</sup> Special index based on a substantially smaller sample.

<sup>4</sup> Indexes on a December 1993=100 base.

<sup>5</sup> Indexes on a December 1997=100 base.

- Data not available.

NOTE: Index applies to a month as a whole, not to any specific date.